



Finance, Revenue & Bonding Committee

March 25, 2022

Submitted by Nora Duncan, State Director

Testimony in support of  
Raised H.B. 5487: An Act Concerning the Property Tax Credit

AARP is a nonpartisan, social mission organization with an age 50+ membership of nearly 38 million nationwide, and approximately 600,000 members here in Connecticut. AARP supports livable communities for all ages, aging in place initiatives and financial opportunity and resiliency for everyone as they work, age and retire. We are before the General Assembly every year on a multitude of bills that support these issues.

AARP's mission is to empower people to choose how they live as they age, and an important part of choosing *how* we live as we age is being able to choose *where* we live as we age. Most older adults want to remain in their own home as they age, and if they are not able to stay in their home, they would like to be able to stay in their community.

Connecticut is a very expensive state to live and retire in. To help address this challenge, this session, the legislature is considering several bills that would reduce the tax burdens placed on Connecticut's taxpayers. AARP believes a reduced tax burden can play a role in making sure our older residents have the financial security they need to age in place.

AARP believes Raised H.B. 5487 will support older adults who want to age in place by increasing the property tax credit, eliminating eligibility restrictions, increasing phase-out thresholds, and indexing certain amounts and income thresholds and allowing such credit to be refundable.

Helping to make the Nutmeg State a friendlier place to live and retire independently is good for everyone. In 2018, retirees and those who are closer to retirement, age 50-plus residents, made up 39% of the state's population. Yet their total economic contribution to the Gross State Product is 44% or \$124 billion and they support 41% or \$12 billion in state and local taxes. You can contact me at [nduncan@aarp.org](mailto:nduncan@aarp.org) to learn more about the "Longevity Economy" or find it here: <https://www.aarp.org/research/topics/economics/info-2019/longevity-economy-outlook.html>

The rising cost of essential necessities, including groceries, utilities, and prescription drugs, is of significant concern for millions of Connecticut residents, especially for retirees living on fixed incomes. Older residents on fixed incomes clearly feel the effects of inflation more than the rest of us. These retirees bear a disproportionate brunt of drug and medical inflation, which is significantly higher than overall inflation. In fact, according to an AARP study, the average annual cost of prescription drug treatment alone increased 26.3 percent between 2015 and 2019.

Connecticut's retirees currently pay federal income taxes, as well as significant state and local income taxes, and motor fuel taxes, sales taxes, and property taxes. A vast number of older residents also fully support or contribute financially to the well-being of their children and grandchildren, as well as act as primary caregivers to their parents and spouses. They also feel that they have limited options for rejoining the workforce and virtually no time horizon to increase their savings. Reducing taxes on retirement income will provide Connecticut's retirees with extra dollars to care for their loved one's needs and help with food, housing, transportation and medical costs.

Of course, we understand that the legislature needs to evaluate this proposal as part of the larger budget and, like all tax policy, consider whether its fiscal implications are sustainable over time, which is a challenge and requires balancing priorities.

Thank you for your consideration.